

Greenville Transit Authority
Board of Director's Meeting
February 24, 2010 – 12:00 p.m.

Board Members in Attendance:

Mr. Matt Carter (Chairman), Mr. Trey Fouché, Mr. Al Gray and Mr. Jan Williams

Absent Board Members:

Mr. David Mitchell (Asst. Chairman) and Mr. Kenneth Swain, Treasurer

Staff in Attendance:

Greg Baney (Transit Planner/Grants Manager), Lorrie Brown (Admin. Assistant), Carl Jackson (Transportation Director) and Shelia Schmitt (Transit GM)

Others in Attendance:

John Castile (Deputy City Mgr.), Dr. Sid Cates (County Council), Karen Crawford (Interim Comptroller), Kayin Jones (SCDOT), Phil Lemmon (ACOG), David Lewis (Context Design Group), Kevin Madden (Greene Finney and Horton) and Gaye Sprague (City Council)

Meeting Called to Order at 12:06 p.m.

Quorum Established

Welcome and Introductions

Public Comments - None

Approval of January 25, 2010 Minutes

A motion to approve the January Minutes was made by Mr. Trey Fouché and seconded by Mr. Jan Williams. No opposers. The motion passes unanimously.

A copy of the Financial the Report was distributed to the Board. The Audit Report was given by Kevin Madden, Greene Finney and Horton. Topics of Discussion:

- Understanding the Audit.
 - The financial statements are the responsibility of the Authority.
 - The Auditor's responsibility is to give an unqualified opinion.
 - Greene Finney and Horton are independent of GTA. Greene Finney and Horton works for the GTA board.
- Unrestricted net assets decreased by approximately \$105,000.00 for the year ended September 30, 2009 to approximately \$235,000.00 this year partially due to higher salary expenses; GTA employees experienced increased salaries under the City of Greenville. GTA has a lot of capital assets; the critical number is unrestricted net assets.
- Operating revenues (primarily fares) experienced a big spike last year. The ridership dropped this past year.
- Operating expenses decreased. Maintenance expenses dropped due to bus repairs that occurred when the City assumed management of transit. Salary expenses are up from the prior year by \$250,000.00 dollars.
- Non operating revenue fell flat. Kevin Madden will put together report addressing cash flow. Grants are included in non operating expenses.

The indirect cost rate is a way to capture grants. With the indirect cost rate, you don't receive additional money but you get the money more quickly. When the indirect cost rate is not applied you have to spend the money and get reimbursed. The reduction of the indirect cost affected net assets causing a decrease of net assets. If we still had our old rate, we would have recognized more revenue. The indirect cost rate is being used to draw down money more quickly; it costs us money by going through the process and keeping track of the money. At some point the decision may be made not to spend so much money to capture money quickly; this would eliminate the indirect cost rate being an issue. Carl Jackson stated there may be another option to eliminating the indirect cost rate. Before this occurs, we need to have good understanding of how it is applied first and whether we are applying it according to FTA regulations. This will be addressed in the Finance Committee prior to being presented to the full Board.

Other notable Items:

- Management letter was distributed to the Board.
- Fraud Risk Management - Mr. Madden stated that he wants to make sure the Board is aware of what the risks are and what controls in place.
- There were no findings.

There are motions/recommendations from each committee pertaining to the potential transit move to the former Hitachi building.

Committee Reports

The Development Committee Report for the February 16th meeting was given by Mr. Trey Fouché.

The Development Committee reviewed a change order request pertaining to the Master Plan. Mr. Fouché asked that it be noted that there will be no additional money paid to incorporate this change.

The Development Committee recommends approval of URS change order where a survey will be designed in March and administered in April, and the results will be incorporated into the URS report of recommendations scheduled for completion by May 2010. Since this is a recommendation from the Development Committee, a second is not required. No opposers. The recommendation carries.

- An update of the Transfer Center renovations was provided by Warren Rowe.
- The monthly project report was distributed to the committee by management.
- Mr. Carl Jackson reminded the committee that the money under the Mauldin Simpsonville Grant must be committed by September 30th.
- The Development Committee is in the process of putting together a selection committee for JARC. Invitations are in the process of being sent out.
- Bill Burgess attended the meeting to present his request for a bus stop at the Piedmont Center (corner of 385 and Pleasantburg). The Committee is considering this request.
- The Committee reviewed a request from the Greenville Recreation Department for bus shelters at the swamp rabbit trail
- The proposed relocation to the former Hitachi building was discussed in detail; the committee made a recommendation to the full board to approve the relocation dependent upon reconciliation with the Finance Committee. There were some financial aspects that the committee felt needed to be addressed by the Finance Committee. Mr. David Mitchell, Asst. GTA Chairman, sent his proxy in support of the relocation pending reconciliation with the Finance Committee.

A recommendation was made by the Development Committee to the full board to move forward on the relocation to the former Hitachi building contingent upon reconciliation with the Finance Committee. This recommendation is tabled, since the recommendation will be addressed by the Finance Committee.

The Finance Committee Report from the February 17th meeting was given by Mr. Matt Carter.

- The Committee discussed open and available grants. Greg Baney completed a report on grants, and he will email a copy of the report to all board members. The Tiger Grant and 5309 grants, JARC New Freedom, etc were discussed. GTA was not awarded the Tiger Grant.

The Finance Committee recommendation to the full board is to change the budget line item pertaining to insurance (per the request for board action form submitted) to the appropriate line item. Fixed Route (should be increased by \$95,573.60 for a total of \$189,573.60), Demand Response (should be increased by \$2,818.13 for a total of \$3,664.13), Vehicle and Building Maintenance (should be increased by \$8,089.08 for a total of \$11,412.08) and Administration (decreased by \$106,480.81). Since this is a recommendation from Finance Committee, a second is not required. No opposers. The recommendation carries.

- Invoices submitted for approval (detailed list of invoices enclosed in Board Package):

- City of Greenville	-	\$245,874.88
- Cowart Awards	-	\$ 58.00
- Greene, Finney and Horton -		\$ 4,000.00
- Strossner's Bakery Inc.	-	\$ 530.00
- URS	-	\$ 11,838.00
Total	-	\$262,300.88

The Finance Committee recommends paying submitted invoices totaling \$262,300.88 pending availability of funds. This is a recommendation from the Finance Committee; therefore, a second is not required. There are no opposers. The recommendation carries unanimously.

David Lewis with Context Design Group (contracted by City of Greenville to do schematic layout for Hitachi Building) stated that modifications have been made where the flow of vehicles into the line is now much better. Carl Jackson had a meeting with Mr. Lewis and new design shows through put going straight instead of going around. Mr. Carter stated the Board's goal is to ensure the needs of Maintenance and Operations is met. Based on information from staff (Shelia Schmitt and Greg Baney), deadhead

has been eliminated by starting routes from the new proposed site. The reoccurring cost is offset by the benefit if buses start from the Hitachi building. Some mileage increase is offset by revenue time. There is currently dead head overhead costs with buses idle for 2 hours. With routes starting respective runs from the Hitachi building, dead head will be effectively reduced with no additional labor cost. The timing of the proposed move is good, since the master plan will soon be finalized. There will a 100% transparency to the GTA Board and any changes will be communicated to the Board. Initial plans were given to Mr. David Mitchell by Mike Horne who has a stake in the maintenance layout. The flow aspect of plans falls under Operations; Shelia Schmitt has now been given the opportunity to provide input. Updates will be given at the Finance, Development and full Board meetings. If the current GTA properties are sold to pay for our portion of Hitachi plant, we will still need to stay on the site until the new facility is ready. This must be addressed in the sale. Lines on architectural renderings may need to be redone.

The Recommendation from the Finance Committee is to move forward with the move to the former Hitachi building based on the report from staff and approval by the FTA. The recommendation is contingent upon management meeting the four contingencies which are: 1) Must get FTA approval 2) Must get an intergovernmental agreement 3) GTA cannot buy Hitachi property until we have the money; real estate must be sold first. 4) The Board wants to make sure that the building works for GTA. If Board moves forward we must have something that works for us. Since this is a recommendation from the Finance Committee, a second is not required. No opposers. The motion carries.

Cost/Benefit Review report which addresses GTA's option to relocate to the former Hitachi Plant - Pages 7 and 8 of the report shows the process that is to be followed. We are at item #4 which states a letter of intent will be drawn informing the FTA of the decision of the Board. This letter is already in draft form. It will address issues addressed in the last committee meetings. The letter of intent will be sent from the GTA Board. Item #5 states that an intergovernmental agreement between GTA and the City of Greenville should be comparable to the amount of space desired. Item #6 states that two appraisals should be obtained per property and presented to the FTA for their approval. Item # 7 states that the properties should be posted for sale and a 30 day period advertising the sale will commence. Item # 8 states that with FTA approval, proceeds of the sale will be used to clean the environmental contaminate prior to the close of the sale. Environmental clean up must take place. Lastly, Item # 9 states that in cooperation with the FTA, the remaining proceeds will be used to pay for the appraisals and to purchase GTA's portion of the new operations center. The City will be responsible for all up fit.

The Management Report was given by Carl Jackson, Transportation Director.

- Greenlink team members (Carl Jackson, Greg Baney and Shelia Schmitt) attended 29th Annual TASC training from February 6-10 in Myrtle Beach, SC. They had a chance to interact with SCDOT and FTA staff and learned about new programs. There may be an ARRA 2 grant to use for operating expenses up to 20 %.
- John Boyd is a potential board member; his application was presented at the March 8th City Council Meeting. He will likely be presented at the March 8th Council Meeting.
- Public speaking engagements continue, and Lorrie Brown will continue to contact Board Members to check their availability for speaking opportunities.
- Shelia Schmitt, currently Interim GM of Transit, has been promoted to General Manager of Transit effective February 27, 2010.

Comments:

- Mr. Trey Fouché wants to make sure that when GTA enters into an agreement we have our own lawyer. William Herlong is the GTA Board attorney of record. The City will draw up an agreement and the GTA attorney will review.
- On March 18th a meeting will take place from 5 - 7 pm at the Carolina First Center to hear public comments on the Vision and Master Plan. URS will make a presentation and survey sheets will be collected. Public hearings will be held prior to implementing service changes.

A motion to adjourn was made by Mr. Al Gray and seconded by Mr. Jan Williams No opposers. The meeting is adjourned.

Prepared by: Lorrie Brown Date: 3/22/10
Lorrie Brown, GTA Administrative Assistant

Approved by: Mr. Matt Carter Date: 3/22/10
Mr. Matt Carter, Chairman